



RDX Technologies Corporation  
And Subsidiaries

# INVESTIGATION SUMMATION And REPORT

A summation of the investigation and due diligence into the  
historical activities in technology development and production  
at the Carthage Missouri Facility from 2006 to 2013.

By Dennis M Danzik  
Board Materials Included

October 7, 2013

EXHIBIT

9

### **Background Facts:**

In late November of 2012, Dennis M. Danzik, a Director of Ridgeline Energy (now "RDX") was invited by a banking contact (Demetrios Diakolios) to review a business that he and his partners ("GEM") were involved in that was failing financially and that they were looking to possibly make an investment. Diakolios thought that Danzik would be a good operator of the Carthage plant and that RDX would be interested in buying the plant.

In late December of 2012, RDX attempted to complete and on site audit of CWT on Long Island in New York but RDX independent auditors Squar Milner ("Squar") as well as then Plant Controller, Candy Blazar were met with hostility and an environment of non-cooperation by former CWT CEO, Brian Appel and former CWT CFO Cohn. As a result, a qualifying audit was completed with limited information to the best effort of Squar.

On or about April 9<sup>th</sup>, 2013 Dennis M. Danzik was informed by Jean Noelting that RDX (then Ridgeline Energy) needed to close on the transaction to purchase immediately due to the fact that GEM did not make the required investment into Renewable Environmental Solutions ("RES") as agreed. RDX was only given a few days to close the transaction with substantial cash and efforts already invested by RDX in the Carthage facility.

On April 15<sup>th</sup> 2013, RDX closed on the purchase of a facility located at Carthage Missouri. Prior to the close, due diligence was being completed on the purchase and such purchase was subject to a successful independent audit by Squar Milner of Changing World Technologies "CWT" and Renewable Environmental Solutions "RES", as well as an approval from the Toronto Venture Exchange.

Upon closing, as required by regulation, RDX began working with a qualified EPA assurance firm; Genscape of Louisville Kentucky. Genscape is one of the most respected firms in this field. Genscape failed the RES fuel as qualified in mid June. As a result of the Genscape finding, RDX began its own investigation into the fuel, the claimed technology and air quality claims.

In late May the Carthage facility was contacted by the Internal Revenue Service and the agent in charge stated that the file for RES failed to contain the required ASTM fuel testing, and that no fuel testing could be found for the period of 2009 to December of 2012.

In June it was discovered that the Foth Engineering report was probably not completed as per RFS2 regulations and that the supervising engineer who signed the report, never completed the on site work required. Many investors and RDX relied on the reports filed by Foth as a major part of their due diligence.

## Background Facts:

Due to the complexities of the finding of Genscape and Genscape disqualification of RES from the QAP program due to fuel findings, Dennis Danzik, through his personal contacts Hank Habicht, (former COO Deputy Administrator EPA /U.S. Deputy Attorney General) and Steve Johnson (former EPA Administrator and author of RIN Program), was able to make contact with Paul Argyropoulos Senior Policy Advisor of the OTAQ Division of the Environmental Protection Agency. Mr. Argyropoulos is the expert at the EPA and involved heavily in the Renewable Fuel Standards program (RFS2) and RINs and the qualification thereof. Within Mr. Argyropoulos' s detailed phone calls, Danzik began to come upon facts that should have disqualified RES from the RFS2 program and therefore RINs. At this point Mr. Danzik started to greatly expand his investigation into the manufacturing methods and quality of the CWT/RES renewable diesel ("RDO").

In early July, historical records for RINs within the EPA system looked inconsistent and out of sync with production logs.

Also in mid July the Brookhaven study of the CWT RDO came under scrutiny when Dennis M Danzik started to question pH, BTU variances, and inconsistency in ASTM D396 testing with the RDO and what was reported by Brookhaven. It would later be discovered that the samples sent to Brookhaven by CWT management were actually produced in the TDP lab in Philadelphia and not RES in Carthage. The samples were also "doctored" to meet ASTM D396 and ASTM D975. Many investors and RDX relied on the accuracy of the National Laboratory report for investment and acquisition purposes.

In mid July, Candy received direct orders from the IRS that 637 tax returns have triggered an audit of all past payments made and that a series of fuel tests would be conducted and in addition RES was to file a new 637 application and prepare for qualification under ASTM 6751, ASTM D396 or ASTM D975.

During the last week of July, after completing several in house testing sessions during July on the RES RDO, and finding irregularities with the RES RDO passing ASTM D396, Danzik ordered a stack test (air quality) to be completed to see if air quality results were in line with burning straight "Brown Grease" collected from waste and then merely filtered at high temperature. The results were published by early September of 2013.

In August, the IRS requested a copy of all documents, including tax returns and production logs from 2010 to December of 2012.

In August 2013, about 90 days after closing; RDX obtained access to some, but not all of the auditable records of CWT by agreeing to sign a license agreement with an entity owned by Brian Appel. The license was presented and negotiated by RDX board member, Bruce MacFarlane. Danzik, under protest, and due to the pending investigation signed the license presented by MacFarlane under protest and under the promise from MacFarlane that if there were any problems, MacFarlane would challenge the license claims by Appel.

In mid August, through a mechanical failure of "R-250" (the main processing reactor) at RES, Danzik discovered that the RDO was being produced without a fully functioning reactor.



## **Background Facts:**

At the end of August and at the beginning of September, substantial operation problems with the RDO started to arise at Omega Proteins a 15 month old customer and largest user of the CWT/RES RDO. Subsequent investigation, remote, laboratory and in person showed substantial equipment and other damages due to the acidity of the RDO. Omega immediate ceased using the RDO. RDX acted immediately. To date, repairs at Omega performed by RDX exceed \$ 650,000.00, lost sales during September total over \$ 1.4MM and yet to be completed repairs after shutdown at Omega (second week of November) are expected to exceed and additional \$ 1.1MM. In addition Omega is asking for financial damages in the amount of just under \$ 500,000.00.

During mid September, due to the pending complete mechanical failure of R-250, Danzik with the help of Candy Blazar discovered the fact that R-250 was not functioning for over 5 weeks, but "RDO" was being produced. John Shaw, the then Plant Manager resigned over "burdens" that he felt he was carrying. A crew made up operators rebuilt R-250, which consists of nothing more than a pressure vessel, with a paddle stir bar mounted in the center of the vessel. No technology or device exists within the main reactor .

Based on the various facts, Danzik ordered open and single blind testing completed at two well known, nationally certified tribology laboratories. The tests were to determine the suitability of the RDO and a complete ASTM D396 and ASTM D975 test battery. The CWT/RES RDO failed all testing at both ALS Tribology and Bentley Tribology Laboratories.

On a customer service trip during the week of 9-24 through 9-27, John Shaw, a former RES employee that was invited to travel with RDX management admitted to Danzik, Scott Havrisik, Vincent Meli and Robert Everett that the fuel specifications at Carthage were "selective" and that RES never submitted the fuel produced to a full ASTM D396 test battery and that "no clear benefit was gained by processing fats into supposed "fuel" at RES". Mr. Shaw also informed the same people during the flight that he knew of the some of the destructive characteristics of the "fuel" that was produced at Carthage. When questioned about where all of the fuel that was tested came from, Shaw stated that he believed that it was all produced in Philadelphia.

On October 9<sup>th</sup> in the engineering conference room in Scottsdale Arizona, Jim Saxton, a former manager for CWT/RES employee admitted to Danzik, Vincent Meli, John Shaw, David Bogardus and Candy Blazar that all of the samples submitted for approval and for independent testing by Brookhaven Laboratories were in fact manufactured in the CWT / TDP laboratory located in Philadelphia, and "doctored" so that the fuel manufactured in Philadelphia would pass ASTM D396 standards. The data from Brookhaven was then used to obtain an RFS2 Pathway from the Environmental Protection Agency and the successful submission of an Internal Revenue Service 637 audit in 2010.

The facts presented on these first three pages in no way presents every fact discovered from May through September of 2013. It is also not representative of the over 1,400 documents identified during this investigation. It is merely an effort to give the reader a primer on basic facts and a timetable of the transaction, events and lagging due diligence that was completed.

**Employees / Former Employees / Contractors / Customers:  
Direct impact / Phantom Shipments/ Destructive Nature of Product**

**First hand account witnesses:**

- |                    |   |
|--------------------|---|
| 1. Candy Blazar    | 14. Hud Reiersgaard                           |
| 2. Jim Saxton      | 15. Charles Sweet                             |
| 3. Vincent Meli    | 16. Debbie Burks                              |
| 4. David Bogardus  | 17. Gilbert Talamantez                        |
| 5. Shane Cowheard  | 18. Michael Woods                             |
| 6. John Shaw       | 19. Andy Hall                                 |
| 7. Scott Havrisik  | 20. David Bromley                             |
| 8. Robert Everett  | 21. Dennis M. Danzik                          |
| 9. Anthony Calim   | 22. John Doe 1 - Former Philadelphia Employee |
| 10. Michael Youngs | 23. John Doe 2 - Former Philadelphia Employee |
| 11. Cory Hyland    | 24. John Doe 3 - Former RES Employee          |
| 12. Geno Martin    | 25. John Doe 4 - Former RES Employee          |
| 13. Chad Pruitt    | 26. John Doe 5 - Omega Proteins Employee      |
|                    | 27. John Doe 6 - Omega Proteins Employee      |
|                    | 28. Jason Purcell                             |
|                    | 29. Candy Purcell                             |



**Facts Discovered:** (“fuel” “TPC”) means the process itself or FFA derived from triglyceride at Carthage

1. “Fuel” is actually a free fatty acid derived from a triglyceride. No benefit.
2. “Fuel” is about 80% FFA and no beneficial chemical change has taken place.
3. pH is a 4 and when heated is a destructive fluid to tanks, piping, pumps, and boilers.
4. CWT never informed IRS or EPA that process had changed.
5. The reactor (known as “R-250”) is nothing more than a tank with a stir paddle.
6. “Fuel” was manufactured for 5 straight weeks by operators with no working reactor.
7. “R-250” was “rebuilt” in 2 days in September.
8. Process is just grease and a small amount of sulfuric acid. Then “washed” with steam.
9. The “TCP” process can be duplicated in a 5 gallon bucket with acid and wash water.
10. There are no material benefits from the process.
11. Air stack tests just conducted show no difference between “TCP” “fuel” and brown grease that has been washed and filtered.
12. Dozens of documents show officers and managers attesting, in some cases under the penalty of perjury that the “fuel”.
13. The “fuel” has never passed ASTM D396 or ASTM D975 in its history.
14. Fuel testing at labs were manipulated to exclude 6 to 7 pass fail criteria on the ASTM D396 Tests.
15. Much of the process, including “depolymerization” steps sworn and submitted to the IRS and EPA are not even a part of the “TPC” process.
16. Material statements by former management states that “TPC” manufactures “fertilizer”, when in fact it does not.
17. Current and former employees have made written statements that they are aware of the “gray area” and that the process is not “real” and has not been “real” since late 2007.
18. “Fuel” has caused hundreds of thousands of dollars in damages at Omega and APC.
19. We have been ordered by the IRS to file new 637’s and to file with EPA.
20. There is preliminary evidence that accounting, tax filing and other irregularities have occurred from late 2011 through 2012.

## EPA sets public hearing for RFS2, clarifies heating oil RIN issue

By Luke Geivier | July 05, 2011

Following the release of the proposed rule for the 2012 renewable fuel standard's volume requirements set forth by the U.S. EPA, a public hearing has been set for July 12. The hearing will allow interested parties to provide commentary on the 2012 version of RFS2. Under the currently proposed version for 2012, the RFS2 will require 1 billion gallons of biomass-based diesel.

The hearing will be held at the Washington Marriott at Metro Center in Washington, D.C., beginning at 9 am. According to the EPA, the hearing will "end when all parties present who wish to speak have had an opportunity to do so." Anyone with plans to testify at the hearing needs to contact the EPA before the event.

In addition to the time dedicated to the publishing of the final rule, the EPA has also been busy with inquiries regarding RIN

generation for heating oil and renewable fuel use in heating oil. Through a statement sent out by the EPA's electronic message system, EnviroFlash, the EPA stated that "parties may not blend fuel oils that only meet the definition of fuel oil grade Nos. 4, 5 or 6 to qualify as heating oil No. 1 or No. 2 and generate RINs."

And, the EPA said, "RINs generated for renewable fuel (other than biodiesel) used as heating oil must be retired if it only meets the definition of fuel oil grade Nos. 4, 5, or 6." The EPA explained that heating oil is defined, or means, any No. 1 or No. 2 or nonpetroleum diesel blend used for use in furnaces, boilers and similar applications which are commonly known or sold as commercial heating oil, fuel oil "that is not jet fuel, kerosene or aviation diesel fuel." Based on the definition, the EPA said that fuel oils grade Nos. 4, 5 or 6 don't qualify on their own as heating oil, nor does blending these fuels to produce No. 1 or No. 2 grade heating oil, satisfy the previously mentioned definition. "Therefore, producers of fuel oils grade Nos. 4, 5 or 6 cannot generate RINs for heating oil. Additionally, any RINs generated for a renewable fuel (other than biodiesel) used as heating oil that only meets the definition of fuel oil grade Nos. 4, 5 or 6," the EPA said, "must be retired."





Reply All Forward  
Mon 6/10/2013 4:13 AM  
Susan Olson <solson@genscape.com>  
RE: A Thank You!

To: Dennis M. Danzik  
Cc: Candy Blazer  
This message has been replied to or forwarded.

Dennis -

I will be sending you something more substantive a little later, but to alleviate concerns, a fuel doesn't have to be hydrocarbons to qualify for RFS2 RIN generation. If it did, however, that would resolve the fuel qualification. That was the reason for this question.

Where my question comes from is that the EPA requested comment in the proposed rule for QAP about creating a new fuel category for renewable diesel composed of triglycerides called "viscous non-ester renewable diesel." They sought comment on changing the rules such that viscous non-ester renewable diesel would be required to be used as a blendstock or additive for gasoline or diesel fuels. Again, this is something new. Below is a relevant excerpt, and I will send you the proposed rule document with a reference to the section. Again, this is something the EPA sought comment on, and it is not an existing rule.

"Some renewable fuel producers are currently generating RINs for fuel that they claim meets the existing definition of renewable diesel, but which is not chemically equivalent to a petroleum diesel fuel under the renewable diesel definition. This product is primarily composed of triglycerides that have not been chemically converted to a hydrocarbon, and can be produced through simple filtration of vegetable oils with little processing equipment or effort. Further, this product cannot be used as a 'drop-in' transportation fuel but instead can only be used at blend levels with diesel fuel that are approved under 40 CFR Part 79, and moreover it is commonly used for non-qualifying fuel uses. To address these issues, we are proposing to clarify in the definition of 'non-ester renewable diesel' that qualifying products must be approved under 40 CFR Part 79 at specific blend levels with diesel fuel... The EPA believes that this only current allowable use for these other fuel producers as RINs are associated with thermal would be as a blending component or additive for gasoline or diesel fuels."

I have formulated a plan to analyze the fuel from Carthage and will share that plan with you today.

Kind Regards,  
Susan

GENSCAPE

1. Rated "Top Tier by EPA"
2. Solid reputation.
3. Handles "much more" than biodiesel.
4. Has 50% more clients than next competitor.
5. Recommended by Exxon.
6. Recommended by former director of EPA.
7. Recommended by former COO and DAG of EPA.
8. Worked hard to get us QAP approved.
9. Performed first fuel testing that identified "TCP" as failure.





Element Markets LLC

## RIN ASSURANCE PROGRAM

## CHANGING WORLD TECHNOLOGIES



CHANGING WORLD TECHNOLOGIES, INC.

Changing World Technologies

530 North Main Street

Carthage, MO 64836

3535 Thompson Lane, Suite 100, Carthage, MO 64836  
Tel: (417) 382-7272 Fax: (417) 382-7233  
www.changingworld.com



Changing World Technologies, Inc., (CWT) uses a successfully commercialized technology called Thermal Conversion Process (TCP) to convert mixed waste into fuel oil that meets or exceeds fuel industry standards under ASTM-D396. We are currently producing oil at our 15mm gallon per year facility in Carthage, MO. We have included a brief presentation labeled "Fuel Introduction 2011" to explain the technology and fuel. It includes a real world analysis on the potential emission impact of a Title V entity, based upon actual results from an un-tuned 1500 HP boiler. These results have been acceptable to a number of regulators in different States and should enhance the sustainability of a Title V entity. TCP converts a broad range of organic wastes, including agricultural and food processing waste into a renewable diesel fuel oil ("RDO"). TCP is a non-combustion process that emulates the earth's natural geological and geothermal processes that transform organic material into fossil fuels through the application of heat and pressure in the presence of water. We control the temperature and pressure to produce a clean, consistent fuel with well-established specifications and properties (i.e. sulfur, BTU's and ash). These properties are the standards used to measure performance and emissions from stationary combustion equipment; ASTM-D396. The approach employed by TCP is of interest to waste producers because of the flexibility to manage their mixed waste streams which assures CWT of adequate supply. The fuel is of interest to users who are looking for high quality fuel and who also seek to address sustainability issues.



CWT recently partnered with Brookhaven National Laboratory (BNL) and the Society for Energy and Environmental Research (SEER) to study the characteristics of the fuel produced from trap and waste greases. Attached is an emissions test on a residential sized boiler comparing RDO with No.2 oil. Noted in the combustion test, there is a reduction in NOx and CO emissions. Also attached is a corrosion test performed at BNL (titled "FW: Pictures"). As for the corrosion test, RDO was stored for 7 months at 140 degrees Fahrenheit with copper and carbon steel coupons. Results show there is no corrosion. We store RDO at about ~100 degrees Fahrenheit which will have no adverse effect on the storage of the material. The fuel has properties of a mild acid due to its origin and carboxylic chain. Issues with acidity can occur when the fuel comes in contact with extremely hot surface areas prior to combustion (i.e. the surface of a heat exchanger or the tip of an oil gun). RDO is classified as a carboxylic oil and with carbon steel, corrosion will occur at high temperatures. Upgrading minor pieces of equipment to stainless steel (burner tip & exchangers), eliminates any potential for corrosion. We have included the MSDS for RDO.

In response to new concerns raised from recent EPA rulings related to burning nonhazardous solid wastes, the approach CWT utilized was to meet an established specification that governs fuel use in stationary boilers. RDO is not a solid waste or SVO. It is a qualified fuel under long established ASTM-D396 guidelines with combustion characteristics to No.2 oil and with handling characteristics of No.4 oil. The main difference in the fuels is the source of RDO feedstock is not crude oil, but a sustainable, renewable source, waste.

There are ASTM standards established in using fuels for combustion. ASTM provides standards and guidelines for industry and regulators to have a way to measure expected performance and emissions for different fuels in combustion engines. RDO meets this standard avoiding complicated permitting issues often seen with other biofuels. The ASTM D-396 standard is highlighted below:

<b>Form W-9</b>		<b>Request for Taxpayer Identification Number and Certification</b>	<b>Give Form to the requester. Do not send to the IRS.</b>
<small>Form W-9 (Rev. January 2017) Do not use if the requester is an individual who is not a U.S. person.</small>			
Name (as shown on your income tax return) <b>CHANGING WORLD TECHNOLOGIES, INC.</b>			
Business name/disregarded entity name, if different from above			
Check appropriate box for federal tax classification (required) <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Exempt payee			
Limited liability company. Enter the tax classification (C-C corporation, S-S corporation, P-partnership) ▶			
Other (see instructions) ▶			
Address (number, street, and apt. or suite no.) <b>460 HEMPSTEAD AVENUE</b>		Requester's name and address (optional)	
City, state, and ZIP code <b>WEST HEMPSTEAD, NY 11552</b>			
Tax account number(s) (see instructions)			
<b>Part I Taxpayer Identification Number (TIN)</b>			
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.			
Note. If the account is in more than one name, see the chart on page 4 for guidelines of whose number to enter.			
		Social security number	Employer identification number
		<div style="border: 1px solid black; width: 100px; height: 20px; text-align: center;">8 6 - 0 8 9 2 4 5 0</div>	<div style="border: 1px solid black; width: 100px; height: 20px; text-align: center;">8 6 - 0 8 9 2 4 5 0</div>
<b>Part II Certification</b>			
Under penalties of perjury, I certify that:			
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and			
I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and			
3. I am a U.S. citizen or other U.S. person (defined below).			
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, joint bank or credit card accounts, and generally, payments other than interest and dividends, you are not required to sign this certification, but you must provide your correct TIN. See the instructions on page 4.			
Signature of U.S. person ▶	Date ▶		
	10/17/11		
<b>General instructions</b>			
Section references are to the Internal Revenue Code unless otherwise noted.			
<b>Purpose of Form</b>			
A person who is required to file an information return with the IRS must:			
• An individual who is a U.S. citizen or U.S. resident alien,			
Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.			
Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:			
• An individual who is a U.S. citizen or U.S. resident alien,			



NO ASTM D396

Not a single instance of "Fuel" passing ASTM D396 or D975

Report Number  
11-351-2078



13611 8<sup>th</sup> Street - Omaha, Nebraska 68144-5093 • (402) 324-7770 • FAX (402) 334-8121

Page 1 of 1

Mail to:

RENEWABLE ENV SOLUTIONS LLC  
520 NORTH  
CARTHAGE MO 64836

REPORT OF ANALYSIS  
FOR: (27652) RENEWABLE ENV SOLUTIONS LLC  
(417)358-4922  
RES RDO  
Date Reported: 11/28/11  
Date Received: 11/25/11  
Date Sampled: Not Supplied  
Time Sampled: Not Supplied

Lab number: 1927358 Sample ID: 28860

Analysis  
British Thermal Units  
Sulfur (total)

Level  
Found Units  
16,339 Btu/lb  
509 ppm

Detection  
Limit Method  
20 ASTM D240-87  
100 ASTM 5453

Analyst-  
Date  
11/28/11  
11/28/11

For questions contact  
Heather Remy  
Heather Remy  
Client Service Representative  
heather.remy@midwestlabs.com (402) 334-8121



ATLANTIC  
Product Services, Inc.

APR 810 No. 1006 U.S. CUSTOMS APPROVED  
N.Y.S. ELEV. No. 10758 U.S. EPA No. 1N0801

INSPECTIONS OF QUALITY

2 Terminal Road  
KMI Building CR2  
Cortez, New Jersey 07708  
Phone (732) 969-4800  
Fax (732) 969-1112  
Email [aps@atlantic.com](mailto:aps@atlantic.com)

TR / VESSEL UNIT: TANK 27 WESTWAY FEED PRODUCTS  
CUSTOMER: CHANGING WORLD TECHNOLOGIES  
CITY, STATE: WEST HEMPSTEAD, NY  
PRODUCT: BIO FUEL

APR FILE NUMBER: B2317A  
LAB NUMBER: 28851  
DATE SAMPLED: 11/29/2011  
DATE TESTING COMPLETED: 12/1/2011

ON A SUBMITTED BIO FUEL SAMPLE  
THE FOLLOWING ANALYTICAL RESULTS WERE OBTAINED

METHOD No.	TESTS	UNITS	RESULTS
D482	ASH CONTENT	WEIGHT %	0.028
D2622	SULFUR	PPM	841
D524	CARBON RESIDUE-RANSBOTTOM	WEIGHT %	0.81
D5291	CARBON	WEIGHT %	74.09
D5291	HYDROGEN	WEIGHT %	11.81
D5291	NITROGEN	WEIGHT %	0.27
D5291	OXYGEN	WEIGHT %	13.75
D86	DISTILLATION		
	°F.	@ BP	330
	°F.	@ 10 %	600
	°F.	@ 50 %	644
	°F.	@ 90 %	680
	°F.	@ END PT.	680
	VOLUME %	RECOV.	91.0
	VOLUME %	RESIDUE	9.0
	VOLUME %	LOSS	0.0



May 12, 2010

Mr. Jim Freiss  
Changing World Technologies, Inc.  
460 Hempstead Ave.  
West Hempstead, NY 11552

Dear Mr. Freiss:

RE: Third Party Certification of Changing World Technologies' Renewable Environmental Solutions (RTES) Biorefinery Process

This letter report has been prepared to specifically address the requirements of certain federal regulations as they pertain to biorefinery processes, specifically the Renewable Environmental Solutions (RTES) biorefinery process referred to as Thermal Conversion Process (TCP) or also known as Thermal Depolymerization Process (TDP).

#### 1. Regulatory Overview

Regulatory performance is an underlying factor of the design of the biorefinery process. The design of the biorefinery process is detailed in 40 CFR 80.1450. A copy of the design is provided in Attachment 1. The design is based on the design of the biorefinery process and is subject to the requirements of 40 CFR 80.1450 (b)(1), and applicable (b)(9).

40 CFR 80.1450 (b)(1)

For the biorefinery process (b)(1) of the biorefinery process, the design of the biorefinery process is detailed in 40 CFR 80.1450. A copy of the design is provided in Attachment 1. The design is based on the design of the biorefinery process and is subject to the requirements of 40 CFR 80.1450 (b)(1), and applicable (b)(9).



May 12, 2010

Mr. Jim Freiss  
Changing World Technologies, Inc.  
460 Hempstead Ave.  
West Hempstead, NY 11552

Dear Mr. Freiss:

RE: Documents Relied Upon for Engineering Certification

The following are documents I relied on for my certification, some of which are confidential proprietary company data and have been marked as such.

#### 1. Description of RES TCP Renewable Fuels Process

Consistent with 40 CFR 80.1450 (b)(1) through (b)(9), I have obtained a more detailed description of the facility's renewable fuel production processes. The process is described in greater detail in this section. More detailed mass balance and process flow information is provided in Attachment 1.

The TCP process is entails five basic steps:

1. Heating and stirring the organic feed with water
2. Heating the slurry under pressure to the desired temperature
3. Flashing the slurry to a lower pressure to separate the mixture.

#### 1.1 Discover Article

An article in *Discover* magazine published in April 2006 provides a brief and simple description of the TCP process, thus, I have provided an excerpt in this certification as it provides additional verification that the process is understandable, and the equipment exists.

"...At first blush, the thermal conversion process seems straightforward. The first thing a visitor sees when he steps into the loading bay is a fat pressurized pipe, which pushes the guts from the receiving hopper into a heavy grinder that chews them into pea-size bits...A first-stage reactor breaks down the stuff with heat and pressure, after which the pressure rapidly drops. Flashing off excess water and minerals, in turn, the minerals come mostly from bones, and these are shunted to a storage bin to be sold later as a high-calcium powdered fertilizer."

1.R-Background Documentation for Engineering Cert 5-12-10  
14 Corporate Woods, Suite 829 • 5717 West 110th Street • Overland Park, KS 66210 • (913) 468-0085 • Fax: (913) 468-0088

Mr. Jim Freiss  
Changing World Technologies, Inc.  
May 12, 2010  
Page 2

"The remaining concentrated organic soup then pours into a second reaction tank—the two-stage nature of the process distinguishes it from dozens of failed single-stage waste-to-oil schemes devised over the last century—where it is heated to 500 degrees Fahrenheit and pressurized to 600 pounds per square inch. In 20 minutes, the process replicates what the deep earth does to dead plants and animals over centuries, chopping long, complex molecular chains of hydrogen and carbon into short-chain molecules. Next, the pressure and temperature drop, and the soup swirls through a centrifuge that separates any remaining water from the oil. The water, which in the case of slaughterhouse waste is laden with nitrogen and amino acids, is stored to be sold as a potent liquid fertilizer. Meanwhile, the oil goes to the storage tank to await the next truck... The oil itself meets specification D396, a type widely used to power electrical utility generators."

#### 1.2 Current Process Evaluation

I obtained and reviewed a copy of current process information from CWT (Attachment 1). This information includes three basic elements:

1. Basic material balance considering raw material input and RDO output
2. Process and instrumentation diagram
3. Process flow diagram and material balance analysis

The basis material balance is documented in a spreadsheet titled, "Annual RDO Yield from Carriage - Basis - Fat and Protein Known Conversion Rates". These data show the raw material inputs (poultry offal, restaurant grease, and dissolved air flotation (DAF) skimmings), the plant capacity (32 gpm or 234 tons/day) and the final RDO produced (11,500,000 gallons/year).

The process and instrumentation diagram best illustrates the flow of raw materials through process equipment and eventually to five basic outputs (RDO, liquid fertilizer concentrate, solid fertilizer/minerals, water, and non-condensable gas). The primary sequence of processing is reflected by the following:

1. Storage, pretreating, and mixing in T-120A
2. Depolymerization in V-265
3. Hydrolysis preparation in V-140 followed by hydrolysis in R-250
4. Pressure reduction and energy recovery in V-261 and V-270
5. Liquid/solids separation in C-280/C-285
6. Liquid/liquid separation in C-276R/C-375
7. Liquid fertilizer concentration in the Vapor Recompression System

The material balance (Material Balance - Grease Plant - 230 Tons per Day Capacity) further quantifies the flow of the basic solid and liquid materials through the TCP process. The energy

1.R-Background Documentation for Engineering Cert 5-12-10



*TCP produced "Renewable Diesel" meets standards which are more stringent than 80.2 (ccc)*

## Carboxylic acid

From Wikipedia, the free encyclopedia

A **carboxylic acid** (/kərˈbɒkˌəsɪd/) is an organic acid characterized by the presence of at least one carboxyl group.<sup>[1]</sup> The general formula of a carboxylic acid is R-COOH, where R is some monovalent functional group. A carboxyl group (or carboxy) is a functional group consisting of a carbonyl (R-C=O) and a hydroxyl (R-O-H), which has the formula -C(=O)OH, usually written as -COOH or -CO<sub>2</sub>H.<sup>[2]</sup>

Carboxylic acids are Brønsted-Lowry acids because they are proton (H<sup>+</sup>) donors. They are the most common type of organic acid. Among the simplest examples are formic acid H-COOH, which occurs in ants, and acetic acid CH<sub>3</sub>-COOH, which gives vinegar its sour taste. Acids with two or more carboxyl groups are called *dicarboxylic*, *tricarboxylic*, etc. The simplest dicarboxylic example is oxalic acid (COOH)<sub>2</sub>, which is just two connected carboxyls. Malic acid is an example of a hexacarboxylic acid. Other important natural examples are citric acid (in lemons) and tartaric acid (in tamarinds).

Salts and esters of carboxylic acids are called carboxylates. When a carboxyl group is deprotonated, its conjugate base forms a carboxylate anion. Carboxylate ions are resonance stabilized and this increased stability makes carboxylic acids more acidic than alcohols. Carboxylic acids can be seen as reduced or alkylated forms of the Lewis acid carbon dioxide, under some circumstances they can be decarboxylated to yield carbon dioxide.

### Contents [hide]

- Physical properties
  - Solubility
  - Boiling points
  - Acidity
  - Odor
- Characterization
- Occurrence and applications
- Synthesis
  - Industrial routes
  - Laboratory methods
  - Less-common reactions
- Reactions
  - Specialized reactions
- Nomenclature and examples
- Carboxyl radical
- See also
- References
- External links

### Physical properties [edit]

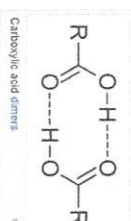
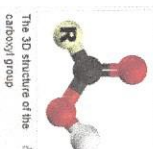
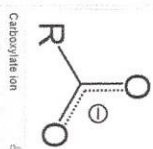
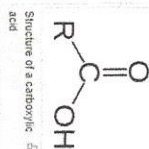
#### Solubility [edit]

Carboxylic acids are polar. Because they are both hydrogen-bond acceptors (the carbonyl) and hydrogen-bond donors (the hydroxyl), they also participate in hydrogen bonding. Together the hydroxyl and carbonyl group forms the functional group carboxyl. Carboxylic acids usually exist as dimeric pairs in nonpolar media due to their tendency to self-associate. Smaller carboxylic acids (1 to 5 carbons) are soluble in water, whereas higher carboxylic acids are less soluble due to the increasing hydrophobic nature of the alkyl chain. These longer chain acids tend to be rather soluble in less-polar solvents such as ethers and alcohols.<sup>[3]</sup>

#### Boiling points [edit]

Carboxylic acids tend to have higher boiling points than water, not only because of their increased surface area, but because of their tendency to form stabilised dimers. Carboxylic acids tend to evaporate or boil as these dimers. For boiling to occur, either the dimer bonds must be broken, or the entire dimer arrangement must be vaporised, both of which increase enthalpy of vaporization requirements significantly.

## FFA from Triglyceride





## Occurrence and applications [edit]

Many carboxylic acids are produced industrially on a large scale. They are also pervasive in nature. Esters of fatty acids are the main components of lipids and polyanions of amino-carboxylic acids are the main components of proteins.

Carboxylic acids are used in the production of polymers, pharmaceuticals, solvents, and food additives. Industrially important carboxylic acids include acetic acid (precursor to solvents and coatings), acrylic and methacrylic acids (precursors to polymers, adhesives), adipic acid (polymers), citric acid (beverages), ethylhexadecanoic acid (perfuming agent), fatty acids (coatings), maleic acid (polymers), pyruvic acid (food preservative), terephthalic acid (polymers).

## Synthesis [edit]

### Industrial routes [edit]

Industrial routes to carboxylic acids generally differ from those used on smaller scale because they require specialized equipment.

- Oxidation of alkenes with air using cobalt and manganese catalysts. The required alkenes are usually obtained from alkenes by hydrocracking.
- Oxidation of hydrocarbons using air. For simple alkenes, the method is nonselective but so inexpensive to be useful. Alkyl and terpene compounds undergo more selective oxidations. Alkyl groups or a benzyne ring adjacent to the carboxylic acid, regardless of its chain length. Benzoic acid from toluene and terephthalic acid from para-xylene and phthalic acid from ortho-xylene are illustrative large-scale conversions. Acrylic acid is generated from propene.
- Base-catalyzed oxydoporation of alcohols.

- Carboxylation is a reversible method when coupled to the addition of water. This method is effective for alkenes that generate secondary and tertiary carboxylates, e.g. styrene to propic acid. In the Koch reaction, the addition of water and carbon monoxide to alkenes is catalyzed by strong acids. Acetic acid and formic acid are produced by the carboxylation of methanol, conducted with acids and alkoxide promoters, respectively, and often with high pressures of carbon monoxide, usually involving additional hydrolytic steps. Hydrocarboxylations involve the simultaneous addition of water and CO. Such reactions are sometimes called "Koch's chemistry".



- Some long chain carboxylic acids are obtained by the hydrolysis of higher esters obtained from plant or animal oils; these methods are related to saponification.

- Hydrogenation of carbonic acid is used in the production of urea.





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Sparks, NV 89431  
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Profile Code E VRGRN-ENV  
Attention Of Dennis Danzik  
Company Evergreen Environmental  
End User

Profile ID 5174

## EVGRN-ENV - Batch #1030 - Summary Report

2 Total Sample(s)

Unit ID	Dt Taken	Sample #	Fuel
---------	----------	----------	------

EE-001-2013-1002	02-Oct-2013	82836	
------------------	-------------	-------	--

SAMPLE NOTE: Free Fatty Acid= 81.3  
HOC is reported in BTUlb-- FRB 10-7-13

EE-002-2013-1002		82837	
------------------	--	-------	--

SAMPLE NOTE: Free Fatty Acid= 79.6  
HOC is reported in BTUlb-- FRB 10-7-13

SAMPLE NOTE: Triglyceride material that has been hydrolyzed into a paste.



RIDGE LINE ENERGY SERVICES INC  
14555 E. 82nd St  
Scottsdale, AZ 85260  
USA

### Fuel Sample Analysis

UIN: 0364E63  
Fuel Type: Miscellaneous  
Tank ID: E601 ASTM D396

Serial No.:  
Site:

Compartment Name: E601 ASTM D396

Fuel Manufacturer: Unidentified  
Fuel Type: Unidentified  
Tank Capacity:  
Tank Level at Test:

#### TEST/METHOD

##### Physical / Chemical

Flash Point by PMCC (093)  
Pour Point (D97)  
Sulfur (D4294/D5453/D7039)  
Water by Distillation (095)

##### Additional

Sediment by Extraction (D473)  
Density Specific Gravity (D1298)  
Corrosion Carbon Residue on 10% Residue  
Viscosity (CST 50C)

Date Sampled: 12-Sep-13  
Date Received: 25-Sep-13  
Date Reported: 01-Oct-13  
Lab No.: 40110352032  
WO No.:  
SIF No.: 14285425

#### RESULTS

##### UNITS

>150 °F  
70 °F  
368 ppm  
1.5 Volume %  
0.17 % (m/m)  
7.6100 %  
1.24 %  
14.7

RESULTS	ASTM D396					ASTM D975				
Our Fuel	#1	#2	#4	#6		#1	#2	#4	#6	
Flash Point	Pass	Pass	Pass	Pass		Pass	Pass	Pass	Pass	
Pour Point	Fail	Fail	Fail	Fail		NS	NS	NS	NS	
Sulfur	Pass	Pass	Pass	Pass		Pass	Pass	Fail	Fail	
Water by Distillation	Fail	Fail	Fail	Fail		NS	NS	NS	NS	
Sediment by Extraction	Fail	Fail	Fail	Fail		NS	NS	NS	NS	
Density Specific Gravity	7.61	Pass	Fail	Fail		NS	NS	NS	NS	
Corrosion Carbon Residue	1.24%	Fail	Fail	Fail		Fail	Fail	NS	Fail	
Viscosity	14.7	Fail	Fail	Fail		Fail	Fail	Pass	Fail	

Notes:

NS means Not Specified. The ASTM Standard does not test for this.

Pass/Fail Results were conveyed to us by Lab Project Manager, Ambrose Hughey, Ambrose.Hughey@ALSGlobal.com



December 9, 2011

CERTIFICATE FOR RENEWABLE DIESEL

11-0145

Claimant:

Renewable Environmental Solutions, LLC  
460 Hempstead Avenue  
West Hempstead, NY 11552  
EIN # 91-2098593

The undersigned Renewable Diesel ("Producer") hereby certifies the following under penalties of perjury:

Producer certifies that the Renewable Diesel to which this certificate relates is diesel fuel derived from biomass (as defined in section 45K(c)(3)) using a thermal depolymerization process which meets the registration requirements for fuels and fuel additives established by EPA under § 211 of the Clean Air Act (42 U.S.C. § 7545), and the requirements of the American Society of Testing and Materials D975 or D396.

Producer certifies that the renewable diesel to which this certificate relates is: 100% Renewable Diesel (derived solely from biomass).

This certificate applies to the following:

1. 4322 Bill of Lading or Scale Ticket Number
2. 5919 Gallons of Neat Renewable Diesel  
(Loaded weight prior to #4 addition / 7.7-gallons)
3. 6 Gallons of #4 fuel for blending
4. 5925 Total Gallons of Blended Renewable Diesel

Producer understands that fraudulent use of this certificate may subject producer, claimant, and parties making such fraudulent use of this certificate to a fine or imprisonment, or both, together with the costs of prosecution.

Jason Parnell  
Printed or Typed name of person signing

Supply Chain Manager  
Title of person signing

Renewable Environmental Solutions, LLC  
Name of Producer

EIN # 91-2098593 IRS REG # 01-NY-2006-000153-M-NB  
Employer identification number

630 North Main Street, Carhage, MO 64836  
Address of Producer

Jason Parnell  
Signature

12/9/11  
Date

**Phantom Shipments / EPA Forms / IRS Tax Claims**



## Analysis of 2011 Tax Filings and RINS Separated

Tax Credit Invoices (Tax Credits are based on Sales)	\$ Amount	Date Paid
5/24/2011	\$ 5,912	6/20/2011
5/31/2011	\$ 30,383	6/24/2011
6/6/2011	\$ 18,249	7/1/2011
6/13/2011	\$ 12,260	7/5/2011
6/21/2011	\$ 20,976	7/18/2011
6/30/2011	\$ 24,285	8/2/2011
7/5/2011	\$ 48,639	8/4/2011
7/11/2011	\$ 30,632	8/8/2011
7/18/2011	\$ 53,720	8/25/2011
7/23/2011	\$ 53,080	8/23/2011
7/30/2011	\$ 29,566	9/1/2011
8/6/2011	\$ 11,785	9/19/2011
8/13/2011	\$ 29,298	9/15/2011
8/20/2011	\$ 5,924	9/28/2011
8/27/2011	\$ 22,766	10/11/2011
9/3/2011	\$ 22,896	3/16/2012
9/10/2011	\$ 11,868	10/6/2011
9/17/2011	\$ 21,908	10/17/2011
9/24/2011	\$ 22,612	10/27/2011
9/30/2011	\$ 22,843	11/10/2011
10/8/2011	\$ 11,401	11/7/2011
10/22/2011	\$ 22,389	11/28/2011
10/31/2011	\$ 50,666	11/18/2011
11/5/2011	\$ 17,938	12/19/2011
11/12/2011	\$ 51,954	12/15/2011
11/21/2011	\$ 34,753	12/15/2011
11/26/2011	\$ 29,289	12/19/2011
12/3/2011	\$ 46,788	2/13/2012
12/10/2011	\$ 61,176	1/17/2012
12/17/2011	\$ 85,685	1/17/2012
12/24/2011	\$ 270,438	3/1/2012
12/31/2011	\$ 58,528	1/23/2012
	\$ 345,311	2/3/2012
	\$ 1,585,918	

5/24/2011	\$ 5,912
5/31/2011	\$ 30,383
6/6/2011	\$ 18,249
6/13/2011	\$ 12,260
6/21/2011	\$ 20,976
6/30/2011	\$ 24,285
7/5/2011	\$ 48,639
7/11/2011	\$ 30,632
7/18/2011	\$ 53,720
7/23/2011	\$ 53,080
7/30/2011	\$ 29,566
8/6/2011	\$ 11,785
8/13/2011	\$ 29,298
8/20/2011	\$ 5,924
8/27/2011	\$ 22,766
9/3/2011	\$ 22,896
9/10/2011	\$ 11,868
9/17/2011	\$ 21,908
9/24/2011	\$ 22,612
9/30/2011	\$ 22,843
10/8/2011	\$ 11,401
10/22/2011	\$ 22,389
10/31/2011	\$ 50,666
11/5/2011	\$ 17,938
11/12/2011	\$ 51,954
11/21/2011	\$ 34,753
11/26/2011	\$ 29,289
	\$ 717,992
	\$ 26,592.30
	\$ 46,788
	\$ 61,176
	\$ 85,685
	\$ 270,438
	\$ 58,528
	\$ 345,311
	\$ 867,926
	\$ 144,664.33

EPA RINS GENERATED	Batch #	RDO Production Qty (per EPA Reports)	Feedstock Purchased (Converted)	Feedstock Rolling Inventory	Generated RIN Qty (per EPA Reports)
11-Feb Total	3,347	37,733	3,347	41,089	-
11-Mar Total	52,449	52,449	52,449	93,529	-
11-Apr Total	110,159	79,078	62,448	187,270	-
11-May Total	149,963	97,605	10,090	254,937	-
11-Jun Total	204,384	186,537	(7,756)	347,453	-
11-Jul Total	255,398	246,826	(16,328)	424,177	-
11-Aug Total	106,836	133,244	10,080	181,621	-
11-Sep Total	297,760	285,438	(32,242)	506,192	-
11-Oct Total	164,607	170,278	(26,571)	279,832	-
11-Nov Total	478,056	170,058	(334,570)	812,695	-
11-Dec Total	1,767,163	1,432,593	(334,570)	3,004,177	-

\* Based on Feedstock Log

210 Day Rolling  
Total Normalized Average

27 Day Rolling  
Total December Average

Deviation per Tax Filing

## 2011 Production - 334,570 Missing Gallons - Claimed but not Produced

EPA RINS SEPARATED	RDO Production Qty (Per EPA Reports)	RDO Sales (Based on 2011 Tax Credits Filed)	Separated RIN Qty (Based on Waterfall Report)
61,763	110,159	36,331	10,050
201,404	149,963	118,473	178,480
294,488	204,384	173,228	359,609
147,791	255,398	86,936	147,792
144,745	106,836	85,144	144,744
114,323	297,760	67,249	114,334
259,017	164,607	152,363	296,284
1,474,864	478,056	867,561	1,439,702
2,696,385	1,767,163	1,587,285	2,690,995

\* Sales Gallons are slightly more than

EPA RINS GENERATED	Batch #	RDO Production Qty (Per EPA Reports)	Feedstock Purchased (Converted)	Feedstock Rolling Inventory	Generated RIN Qty (Per EPA Reports)
11-Feb Total		-	3,347	3,347	-
11-Mar Total		-	37,733	41,080	-
11-Apr Total		-	52,449	93,529	-
11-May Total		110,159	79,078	62,448	187,270
11-Jun Total		149,963	97,605	10,090	254,937
11-Jul Total		204,384	186,537	(7,756)	347,453
11-Aug Total		255,398	246,826	(16,328)	434,177
11-Sep Total		106,836	133,244	10,080	181,621
11-Oct Total		297,760	255,438	(32,242)	506,192
11-Nov Total		164,607	170,278	(26,571)	279,832
11-Dec Total		478,056	170,058	(334,570)	812,695
		1,767,163	1,432,593	(334,570)	3,004,177

\* Based on Feedstock Log

EXTREME DEVIATION